



This Downturn is Noticeably Different

Utah's economy is in recession—a sharp recession. Job slowing began in September 2007, and then accelerated to an overwhelming and across-the-board level beginning in October 2008. Utah job losses have been continuous and steady since then. To offer some perspective, history shows that total employment in Utah has always increased from October through November, and into December, peaking in December with the holiday temporary hiring spike. Not last year. In 2008, employment declined each month between October through December. That kind of job loss across that time period has never been measured before.

The same holds true with the January-through-March 2009 period. Employment always increases each consecutive month across that period. Not this year. Each of those months showed fewer workers than the month before. For data trackers and trend-sensitive analysts, this bucking of the historical norm speaks volumes to the unique and powerful recessionary impact of this current economic downturn. This is shaping up to be a downturn like none seen in Utah since the Great Depression. Granted, this will not be another Great Depression, but it will turn out to be the sharpest downturn and weakest

employment environment that many a generation will experience.

So when does this new negative cycle break? There are some indications that it could be soon. Unfortunately, new unemployment insurance claims are still running at a high and unfavorable volume, signaling that more people are still losing jobs than finding them. But organizations that monitor job postings online are beginning to see an uptick in the number of Utah job postings, breaking that indicator's recent and stubborn downward trend. Granted the uptick is minor and just coming off the bottom of the curve, but if it truly is the bottom, then job postings should increase as the months progress.

Yet, the pace of rebound will be sluggish, with stops and starts along the way. The prospects for a forceful Utah job hiring environment are not in the picture for 2009. There are concerns that it may not even emerge in 2010, although for now, that scenario seems unlikely. ⓘ

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Did You Know...

- The National Security Agency will build a 1-million-square-foot data center at Utah's Camp Williams. http://www.sltrib.com/news/ci_12735293
- Utah has one of the highest rates of home foreclosure in the country. <http://www.deseretnews.com/article/705317200/Utah-in-top-5-foreclosure-rate.html>
- Years of hefty rent increases in the Salt Lake area have come to an end. http://www.sltrib.com/business/ci_12788222